

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Meeting
Agenda
February 1, 2016 at 7:00 p.m.

1. Call to Order, Flag Salute and Roll Call

2. Adoption and Adjustment of Agenda

3. Public Comment

Members of the public may address the Board at this time concerning items relating to any matter within the Agency's jurisdiction. To comment on specific agenda items, please complete a speaker's request form and hand it to the board secretary.

4. Consent Calendar:

If any board member requests that an item be removed from the Consent Calendar, it will be removed so that it may be acted upon separately.

- A. Approval of the Minutes of the Regular Board Meeting, January 19, 2016*
(Page 2)
- B. Approval of the Minutes of the Finance and Budget Workshop, January 25, 2016* (Page 6)
- C. Approval of the Finance and Budget Workshop Report, January 25, 2016*
(Page 9)
- D. Approval of Continuing Monthly Finance and Budget Workshops*(Page 10)

5. Reports (Discussion and Possible Action)

- A. General Manager's Report
 - 1. Operations Report* (Page 11)
 - 2. Flume Update
 - 3. General Agency Updates
- B. General Counsel Report
- C. Directors' Reports

6. New Business (Discussion and Possible Action)

- A. Consideration of Water Exchange with Crestline Lake Arrowhead Water Agency* (Page 15)
- B. Consideration of Sponsorship of Inland Solar Challenge*(Page 23)
- C. Discussion on Board Meeting Times (Requested by Director Duncan)
- D. Appointment of Committees

7. Topics for Future Agendas

8. Announcements

- A. Engineering Workshop, February 8, 2016 at 4:00 p.m.
- B. Office closed in observance of Presidents' Day, February 15, 2016.
- C. Regular Board Meeting, **Tuesday**, February 16, 2016 at 7:00 p.m.

9. Closed Session (One Item)

- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION –
Significant exposure to litigation pursuant to paragraph (2) and initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9
(one potential case)

10. Adjournment

***Information included in Agenda Packet**

(1) Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Agency's office at 1210 Beaumont Avenue, Beaumont during normal business hours. (2) Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Agency's office, located at 1210 Beaumont Avenue, Beaumont, California 92223, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Web site, accessible at: www.sgpwa.com. (3) Any person with a disability who requires accommodation in order to participate in this meeting should telephone the Agency (951 845-2577) at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
January 19, 2016

Directors Present: Bill Dickson, Vice President
Mary Ann Melleby, Treasurer
Blair Ball, Director
Ron Duncan, Director
David Fenn, Director
Leonard Stephenson, Director

Directors Absent: John Jeter, President

Staff Present: Jeff Davis, General Manager
Jeff Ferré, General Counsel
Cheryle Rasmussen, Executive Assistant

1. **Call to Order, Flag Salute and Roll Call:** The meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board Vice President Bill Dickson at 7:00 p.m., January 19, 2016 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Director Ball led the Pledge of Allegiance to the flag. A quorum was present.
2. **Adoption and Adjustment of the Agenda:** *Vice President Dickson asked if there were any adjustments to the agenda.* General Manager Davis requested that Item 6A be moved to Item 4 to accommodate ACWA's President Kathy Tiegs. The agenda was adopted as amended.
3. **Public Comment:** *Vice President Dickson asked if there were any members of the public that wished to make a public comment on items that are within the jurisdiction of the Agency.* No members of the public requested to speak at this time.
4. **Discussion with Kathy Tiegs, President of Association of California Water Agencies (ACWA):** *Vice President Dickson introduced ACWA President Kathy Tiegs.* Ms. Tiegs was elected at the ACWA 2015 Fall Conference; she assumed her new position on January 1, 2016. Upon her election Ms. Tiegs related to the audience that she would personally visit all ACWA members; her presence at today's meeting is her first official pledged visit. Ms. Tiegs thanked the Board for their support and involvement with ACWA. She provided a summary of the key issues that she and her staff will be engaged in during her tenure. She related that the State Water Resources Control Board released its draft emergency conservation regulations last Friday, which would extend the requirements of the existing regulation through October 2016 and offer "modest

adjustments” to reflect climate and growth. Public comment on the draft regulation is due January 28th. The State Water Board is expected to approve the revised regulations at its meeting on February 2nd. Ms. Tiegs provided an overview of the different ACWA committees. She invited the Board and public to log into ACWA’s website and review Executive Director Tim Quinn’s blog. She also provided answers to questions that were asked from Board Members and staff. Vice President Dickson congratulated Ms. Tiegs on her appointment.

5. Consent Calendar:

- A. Approval of the Minutes of the Regular Board Meeting, January 4, 2016
- B. Approval of the Minutes of the Engineering Workshop, January 11, 2016

Director Duncan moved, seconded by Director Melleby, to approve the consent calendar as presented. Motion carried 6-0, with President Jeter absent.

6. Reports:

A. General Manager’s Report:

(1) Operations Report: General Manager Davis reported on the following:
a) El Nino Storms: General Manager Davis related that El Nino Storms are currently more northerly than they are southerly. He reviewed with the Board a number of graphs that pertain to precipitation and snow pack levels in Lake Oroville. More information will be available at the next State Water Contractors meeting. **b) SWC Meeting:** The next SWC meeting is scheduled for January 20 – 21.

(2) Water Education Program Report: General Manager Davis noted that a few Board members had requested a status report on the Inland Empire Resource Conservation District (IERCD) programs that the Agency funded for the 2015/2016 school year. He stated that the Agency had contracted for 48 programs. IERCD actually provided 62 programs at no additional cost this year. Vice President Dickson suggested providing an IERCD program to adults and to invite the Agency’s water retailers to be a part of the program. General Manager Davis stated that he was monitoring the program success. He noted that the curriculum does include acknowledgment of each of the water retailers. He also informed the Board that the city of Banning asked for and receives a report.

(3) General Agency Updates: **1) Security:** General Manager Davis informed the Board vandals spray painted graffiti on the Agency’s walls. The police department was notified and came to the office to do a report. **2) Draft Emergency Conservation Regulations:** An ACWA survey concluded that there are a number of issues that concern its members, including revenue

losses and the impacts that revenue losses will have on the public. General Manager Davis has provided the proposed text of the emergency regulations, and an ACWA Fact sheet to the Agency's water retailers.

B. General Counsel Report: General Counsel Jeff Ferré noted that it is anticipated that the new cutback rules for the proposed draft Emergency Conservation Regulations will go into effect February 2, and will continue until October 31, 2016. He provided an overview of the proposed regulation rules.

C. Directors Reports: (1) **Director Stephenson** provided a report on the YVWD Board meeting that he attended on January 6th. (2) **Director Ball** reported that he attended the BCVWD meeting on January 13. He remarked that the City of Beaumont is holding a Board meeting this evening; it is anticipated that they will appoint a council member. (3) **Director Fenn** reported on the BCVWD board meeting that he attended on January 6th. (4) **Director Melleby** provided a report on the following: Beaumont Chamber of Commerce breakfast meeting held on January 8th and the Calimesa Chamber of Commerce Installation Dinner held on January 14th.

7. **New Business: (Discussion and Possible Action)**

A. Acceptance of 2014 Water Conditions Report: A copy of the 2014 Report on Water Conditions was included in the agenda packet. General Manager Davis noted that this report was reviewed by the Board during the December 14, Engineering workshop. He informed the Board that there were a couple of changes in the summary. Director Duncan made a motion, seconded by Director Stephenson, to receive and file the 2014 Water Conditions Report. *Motion passed 6-0, with President Jeter absent.*

B. Discussion of Agreement for Tidal Habitat Restoration Project Development (THRPD): A staff report and a copy of the THRPD Draft Agreement were included in the agenda package. General Manager Davis stated that this item is for discussion only and that no action is required by the Board. He noted that at last week's Engineering workshop staff had discussed a potential agreement to create habitat in the Delta at a lower cost than what DWR can create it for. (DWR is responsible for creating aquatic habitat under a number of existing permits and agreements). State Water Project Contractors Authority (SWPCA) is currently creating habitat at half of DWR's cost. Collectively, the Contractors could save up to \$100 million on habitat costs should SFCWA perform the work. General Manager Davis reviewed the draft agreement that is between State Water Project Contractors Authority (SWPCA) and SFCWA; this agreement does not pertain to SWC. SWPCA is having a meeting on January 20th in Sacramento, which General Manager Davis will attend. There will be a separate special project agreement for the Agency to consider in the near future.

C. Discussion of Possible Outreach Event: General Manager Davis proposed that the Agency offer an informational program that would be open to elective officials, chambers of commerce, the public, and organizations. After discussion, staff was directed to return to the Board with specifics, such as topics, marketing, speaker(s), timing (preferable an evening event) and venues.

D. Appointment of Committees: This item was tabled to the next Board meeting.

8. Topics for Future Agendas: Director Fenn requested an update from General Manager Davis on the Beaumont Basin storage account. General Manager Davis stated that he has requested water quality data from BCVWD, which he would need in order to proceed; he has not yet received the requested data. He is hoping to submit the application prior to the Watermaster's February board meeting.

9. Announcements: Vice President Dickson reviewed the following announcements:

- A. Finance and Budget Workshop, January, 25, 2016 at 4:00 p.m.
- B. Regular Board Meeting, February 1, 2016 at 7:00 p.m.
- C. Engineering Workshop, February 8, 2016 at 4:00 p.m.

10. Adjournment: Vice President Dickson adjourned the meeting at 7:56 p.m.

Draft - Subject to Board Approval

Jeffrey W. Davis, Secretary of the Board

cmf

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Board Finance and Budget Workshop
January 25, 2016

Directors Present: John Jeter, President
Bill Dickson, Vice President
Mary Ann Melleby, Treasurer
Blair Ball, Director
Ron Duncan, Director
David Fenn, Director
Leonard Stephenson, Director

Staff and Consultants Present:
Jeff Davis, General Manager
Tom Todd, Jr., Finance Manager

1. **Call to Order, Flag Salute and Roll Call:** The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was called to order by President John Jeter at 4:00 p.m., January 25, 2016, in the Agency Conference Room at 1210 Beaumont Avenue, Beaumont, California. President Jeter led the Pledge of Allegiance to the flag. A quorum was present.

President Jeter turned the meeting over to the Chair of the Finance & Budget Committee, Director Mary Ann Melleby.

2. **Adoption and Adjustment of Agenda:** The agenda was adopted as published.
3. **Public Comment:** No members of the public wished to make any comment at this time.
4. **New Business:**
 - A. Ratification of Paid Invoices and Monthly Payroll for December, 2015 by Reviewing Check History Reports in Detail: After review and discussion, a motion was made by Director Duncan, seconded by Director Dickson, to recommend that the Board ratify paid monthly invoices of \$495,273.21 and payroll of \$32,708.03 for the month of December, 2015, for a combined total of \$527,981.24. The motion passed 7 in favor, no opposed.
 - B. Review Pending Legal Invoices: After review and discussion, a motion was made by Director Dickson, seconded by Director Duncan, to recommend that the Board approve payment of the pending legal invoices for December, 2015. The motion passed 7 in favor, no opposed.

- C. Review of December, 2015 Bank Reconciliation: After review and discussion, a motion was made by Director Duncan, seconded by Director Stephenson, to recommend that the Board acknowledge receipt of the Wells Fargo bank reconciliation for December, 2015 as presented. The motion passed 7 in favor, no opposed.
- D. Review of Budget Report for December, 2015: After review and discussion, a motion was made by Director Duncan, seconded by Director Dickson, to recommend that the Board acknowledge receipt of the Budget Report for December, 2015. The motion passed 7 in favor, no opposed.
- E. Review of Cash Reconciliation Report for December 31, 2015: General Manager Jeff Davis introduced this report by reviewing the June 30, 2015 report that was produced after the audit was completed, and then reviewed the report for December 31, 2015. After review and discussion, a motion was made by Director Duncan, seconded by Director Ball, to recommend that the Board acknowledge receipt of the Cash Reconciliation Report for December 31, 2015. The motion passed 7 in favor, no opposed.
- F. Review of Reserve Allocation Report for December 31, 2015: Finance Manager Todd introduced this report, and highlighted the changes in the amounts listed in the New Infrastructure category, which were needed because of the change in the overall balance of the General Fund reserves. After review and discussion, a motion was made by Director Duncan, seconded by Director Stephenson, to recommend that the Board approve the Reserve Allocation Report for December 31, 2015. The motion passed 7 in favor, no opposed.
- G. Review of Investment Report for December 31, 2015: Finance Manager Todd reviewed each investment, and highlighted the difference between face value and current value. After further review and discussion, a motion was made by Director Dickson, seconded by Director Duncan, to acknowledge receipt of the Investment Report for December 31, 2015. The motion passed 7 in favor, no opposed.
- H. Discussion about Finance and Budget Workshops: Chair Melleby opened the discussion by suggesting the Board list pros and cons for changing the current structure of meetings. She handed out a list she prepared of subjects the workshops have discussed during the last 2 years of meetings. Items mentioned during the discussion: current plan works; detailed interaction between Board and staff; savings or not for less meetings; efficiency; understanding purpose of workshops. After further discussion, a motion was made by Director Stephenson, seconded by Director Dickson, to recommend that the Board continue Finance and Budget workshops as before on a monthly basis. The motion passed 6 in favor, with Director Ball opposed.

5. **Announcements:** Chair Melleby reviewed the following announcements:
 - A. Regular Board Meeting, February 1, 2016 at 7:00 p.m.
 - B. Engineering Workshop, February 8, 2016 at 4:00 p.m.
 - C. The office will be closed in observance of President's Day, February 15, 2016
 - D. Regular Board Meeting, Tuesday, February 16, 2016 at 7:00 p.m..

6. **Adjournment:** The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was adjourned at 5:00 p.m.

Draft - Not Approved

Jeffrey W. Davis, Secretary of the Board

Finance and Budget Workshop Report

From Treasurer Mary Ann Melleby, Chair of the Finance and Budget Committee

The Finance and Budget Workshop was held on January 25, 2016. The following recommendations were made:

1. The Board ratify payment of Invoices of \$495,273.21 and Payroll of \$32,708.03 as detailed in the Check History Report for Accounts Payable and the Check History Report for Payroll for December, 2015 for a combined total of \$527,981.24.
2. The Board authorize payment of the following vendor's amounts:

Best, Best & Krieger LLP	\$6,693.55
--------------------------	------------
3. The Board acknowledge receipt of the following:
 - A. Wells Fargo bank reconciliation for December, 2015
 - B. Budget Report for December, 2015
 - C. Cash Reconciliation Report for December 31, 2015
 - D. Investment Report for December 31, 2015
4. The Board approve these reports as presented:
 - A. Reserve Allocation Report for December 31, 2015

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Continuing Monthly Finance and Budget Workshops

DATE: February 1, 2016

Summary:

At the Finance and Budget workshop on January 25, the Board voted to recommend continuing holding monthly Finance and Budget workshops. The purpose of this proposed Board action is to formally approve that recommendation.

Background:

Detailed Report:

Due to scheduling difficulties related to the Christmas holidays, the Board did not hold a Finance and Budget workshop in December and carried out the business usually performed at these workshops at the December 21 Board meeting. This led some Board members to ask if the workshops could be either discontinued or held less frequently. At the Finance and Budget workshop last week, the Board discussed the issue and determined that it wanted to continue holding Finance and Budget workshops monthly.

Fiscal Impact:

There is no significant fiscal impact to continue holding monthly Finance and Budget workshops.

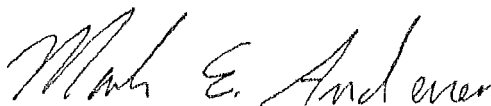
Relationship to Strategic Plan:

There is no direct relationship to the strategic plan.

Recommendation:

Staff recommends that the Board approve continuing its monthly Finance and Budget workshops.

NOTICE TO STATE WATER PROJECT CONTRACTORS**Date:** JAN 26 2016**Number:** 16 - 01**Subject:** 2016 State Water Project Allocation – 15 Percent

From: 
Mark E. Andersen
Acting Deputy Director
Department of Water Resources

The Department of Water Resources (DWR) is increasing the allocation of 2016 State Water Project (SWP) water for the long-term contractors from 422,848 acre-feet to 631,115 acre-feet. Due primarily to recent storms, SWP supplies are projected to increase from 10 percent to 15 percent of most SWP contractors' requests for Table A water, which totals 4,172,786 acre-feet. Attached is the updated 2016 SWP Allocation Table.

In addition, DWR received requests for delivery of SWP contractors' allocated carryover water from previous years totaling 184,274 acre-feet based on the 2015 Water Delivery Finalization Report. DWR approves all requested carryover water for delivery in 2016.

This allocation increase is made consistent with the current and projected hydrological conditions and also with the long-term water supply contracts and public policy. DWR considered several factors, including California's persistent drought evidenced by below normal runoff compared to rain received thus far this winter and resulting continued low storage in SWP conservation facilities; SWP operational constraints under its water right permits; the Biological Opinions for Delta Smelt and Salmon; the Longfin Smelt incidental take permit; and the 2016 contractors demands.

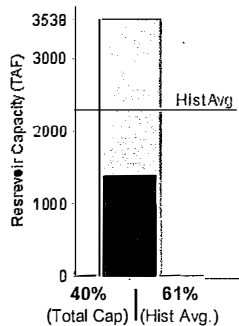
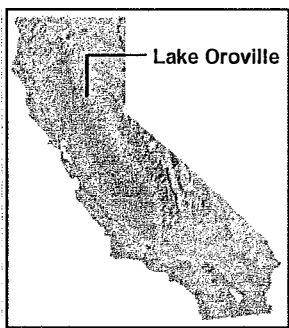
If you have any questions or need additional information, please contact Craig J. Trombly, Acting Chief, State Water Project Analysis Office, at (916) 653-4547.

Attachment

2016 STATE WATER PROJECT ALLOCATION
(ACRE-FEET)

SWP CONTRACTORS	TABLE A (1)	INITIAL REQUEST (2)	APPROVED ALLOCATION (3)	PERCENT INITIAL REQUEST (3)/(2) (4)
<u>FEATHER RIVER</u>				
County of Butte	27,500	27,500	5,000	18%
Plumas County FC&WCD	2,700	2,700	405	15%
City of Yuba City	9,600	9,600	1,920	20%
Subtotal	39,800	39,800	7,325	
<u>NORTH BAY</u>				
Napa County FC&WCD	29,025	29,025	5,805	20%
Solano County WA	47,756	47,756	9,551	20%
Subtotal	76,781	76,781	15,356	
<u>SOUTH BAY</u>				
Alameda County FC&WCD, Zone 7	80,619	80,619	12,093	15%
Alameda County WD	42,000	42,000	6,300	15%
Santa Clara Valley WD	100,000	100,000	15,000	15%
Subtotal	222,619	222,619	33,393	
<u>SAN JOAQUIN VALLEY</u>				
Oak Flat WD	5,700	5,700	855	15%
County of Kings	9,305	9,305	1,396	15%
Dudley Ridge WD	45,350	45,350	6,803	15%
Empire West Side ID	3,000	3,000	450	15%
Kern County WA	982,730	982,730	147,410	15%
Tulare Lake Basin WSD	87,471	87,471	13,121	15%
Subtotal	1,133,556	1,133,556	170,035	
<u>CENTRAL COASTAL</u>				
San Luis Obispo County FC&WCD	25,000	25,000	3,750	15%
Santa Barbara County FC&WCD	45,486	45,486	6,823	15%
Subtotal	70,486	70,486	10,573	
<u>SOUTHERN CALIFORNIA</u>				
Antelope Valley-East Kern WA	144,844	144,844	21,727	15%
Castaic Lake WA	95,200	95,200	14,280	15%
Coachella Valley WD	138,350	138,350	20,753	15%
Crestline-Lake Arrowhead WA	5,800	5,800	870	15%
Desert WA	55,750	55,750	8,363	15%
Littlerock Creek ID	2,300	2,300	345	15%
Metropolitan WDSC	1,911,500	1,911,500	286,725	15%
Mojave WA	85,800	85,800	12,870	15%
Palmdale WD	21,300	21,300	3,195	15%
San Bernardino Valley MWD	102,600	102,600	15,390	15%
San Gabriel Valley MWD	28,800	28,800	4,320	15%
San Geronio Pass WA	17,300	17,300	2,595	15%
Ventura County WPD	20,000	20,000	3,000	15%
Subtotal	2,629,544	2,629,544	394,433	
TOTAL	4,172,786	4,172,786	631,115	

LAKE OROVILLE - STORAGE CONDITIONS AS OF JANUARY 28, 2016



Data as of Midnight: January 28, 2016

- Current Storage: 1,405,915 AF
- 40% of Total Capacity
- 61% of Historical Avg. For This Date
- (Total Capacity: 3,537,577 AF)
- (Avg. Storage for Jan 28: 2,303,534 AF)

Change Date:

[Refresh Data](#)

Major Reservoir Current Conditions Graphs

[Printable Version of Current Data](#)

Lake Oroville Storage Level Graph: Choose water years to plot:

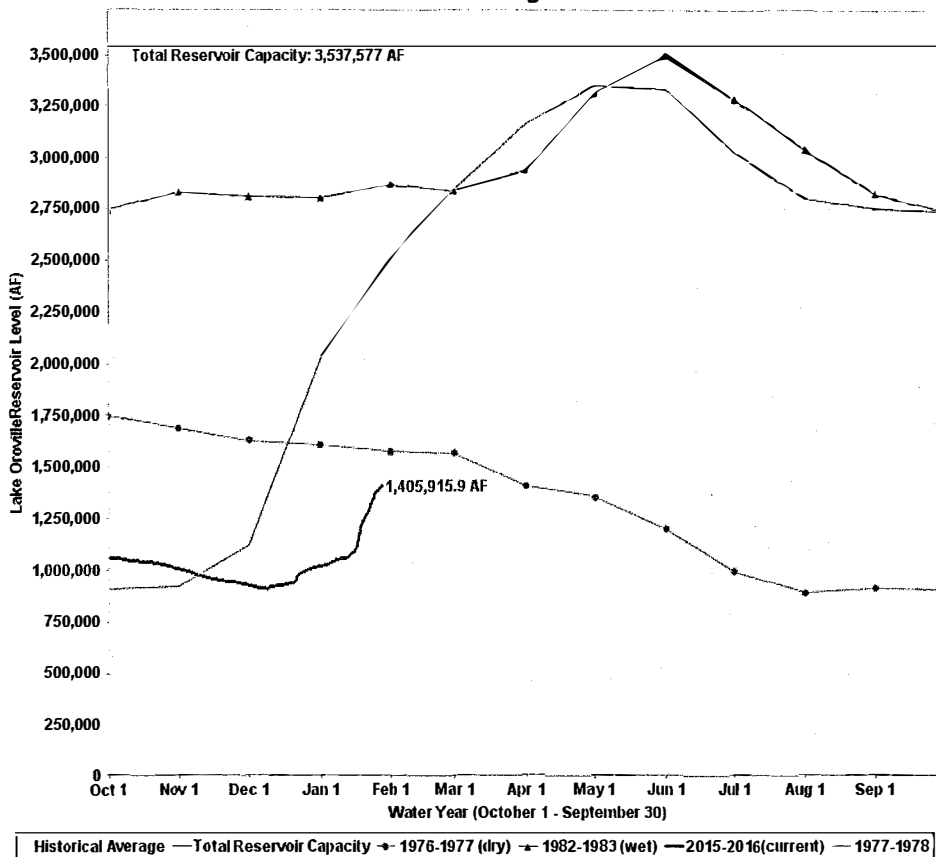
- 1976-1977 (dry)
- 1977-1978
- 1982-1983 (wet)
- 1988-1989
- 1989-1990

[Draw chart](#)

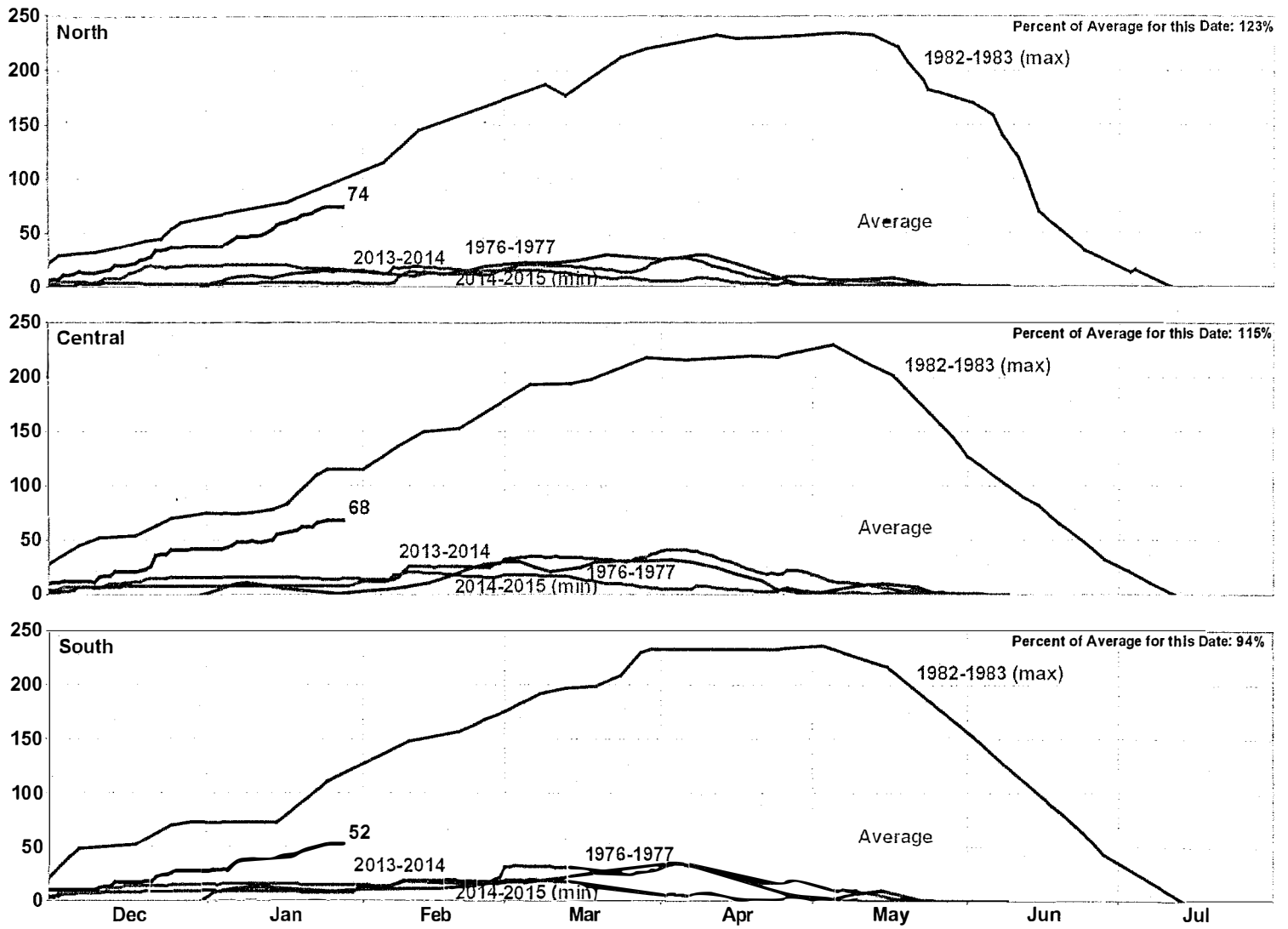
(chart legend appears at bottom)

(ctrl+click for multiple selections)

Lake Oroville Storage Levels



California Snow Water Content, January 28, 2016, Percent of April 1 Average



Statewide Percent of April 1: 65%

Statewide Percent of Average for Date: 111%

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Potential Water Exchange with CLAWA

DATE: February 1, 2016

Summary:

At the January 11 Engineering workshop, the Board authorized the General Manager to negotiate an unbalanced water exchange with the Crestline Lake Arrowhead Water Agency (CLAWA) this year and to bring an agreement to the Board for consideration. The purpose of this proposed Board action is to consider such an exchange.

Background:

Exchanges among and between State Water Contractors are a common way of leveraging assets to meet the specific needs of individual Contractors. In an exchange, one Contractor will let another Contractor have a given amount of its Table A allotment in one year, and then be paid back some, all, or more water over a period of time (typically ten years, but it can be less).

The Agency has successfully implemented two exchanges previously with CLAWA. In 2010, the Agency and CLAWA effected a balanced exchange for 1000 acre-feet. That is, the Agency got 1000 AF of CLAWA's Table A allotment that year (and sold it to retail water agencies), and owes this 1000 AF back to CLAWA by the end of 2020. So far, approximately 500 AF has been exchanged ("paid back") to CLAWA.

In 2013, the Agency and CLAWA effected an unbalanced exchange. In this transaction, the Agency got 2000 AF of CLAWA's Table A water that year (and sold it to retail water agencies), and owes 1300 AF back to CLAWA by the end of 2023. The Agency received 700 AF free and clear from this transaction.

These exchanges have benefited both parties. The Agency, local retailers, and the Beaumont Basin benefited by getting additional water up front stored in the basin. CLAWA benefits because in a very dry year in the future when it may not have enough Table A water, it can count on receiving some water back from the Agency.

The proposed exchange is also an unbalanced one. Under the proposed terms, CLAWA would exchange 1200 AF to the Agency in 2016. Depending on the final Table A allotment this year, the Agency would owe either 600 AF or 800 AF back to CLAWA by the end of 2026. Under the proposed terms, if the final Table A allotment is greater than 30%, the Agency would pay back 800 AF; if it is under 30%, the Agency would pay back 600 AF. In either case, the Agency would receive and sell to retail water purveyors at least 400 AF, and possibly 600 AF, that would not have to be paid back (exchanged).

Detailed Report:

The terms of the exchange, except for the numbers, are virtually identical to the previous exchanges. Each party would take delivery of the exchanged water at its point of delivery and therefore there would be no changes in variable charges. The water would be delivered to retail water agencies just as Table A water is delivered; they would not see any difference, other than obtaining additional water this year.

This is a very good year to effect such an exchange, since the Agency's retail customers must prepare urban water management plans (UWMP's); showing additional water in storage would help make the retailers' UWMP's look better. All water received this year would be sold and delivered to retail water agencies who recharge the water.

The Yucaipa Valley Water District does not currently purchase recharge water from the Agency. While it would not be helped directly, it would not be harmed by this action, and it would be helped indirectly as storage in the Beaumont Basin would increase by 1200 AF this year. The YVWD would not be harmed because the Agency carries over enough water each year to meet YVWD's direct demands the next year; thus, they will suffer no harm even if the Agency must pay back water to CLAWA in a dry year.

SAN GORGONIO PASS WATER AGENCY
CRESTLINE-LAKE ARROWHEAD WATER AGENCY
WATER EXCHANGE AGREEMENT

RECITALS

- A. San Gorgonio Pass Water Agency (“SGPWA”) is a public agency organized in accordance with the San Gorgonio Pass Water Agency Law (Water Code Appendix Sections 101-1 et seq.) with broad powers to acquire and sell water. SGPWA has a Water Supply Contract with the Department of Water Resources (“DWR”) that provides it with a Table A Amount of 17,300 acre-feet of water per year from the State Water Project.
- B. Crestline-Lake Arrowhead Water Agency (“CLAWA”) is a public agency organized in accordance with the Crestline-Lake Arrowhead Water Agency Law (Water Code Appendix Sections 104-1 et seq.) with broad powers to acquire and sell water. CLAWA has a Water Supply Contract with DWR that provides it with a Table A Amount of 5,800 acre-feet of water per year from the State Water Project. As of the date of this Agreement, CLAWA has a balance of more than _____ acre-feet of “carry-over” water which DWR has stored in the San Luis Reservoir, a State Water Project facility, for subsequent delivery to CLAWA pursuant to its Water Supply Contract.
- C. SGPWA and CLAWA intend by this Agreement to implement an exchange of water ~~from their respective Table A Amounts~~ for the benefit of their respective service areas, with CLAWA delivering 2,000~~1,200~~ acre-feet of its ~~Table A Amount~~ carry-over water in the San Luis Reservoir to SGPWA in Calendar Year ~~2013~~2016, and with SGPWA returning 1,300~~either 800 or 600~~ acre-feet of water to CLAWA from SGPWA’s subsequent allocation(s) of Table A water no later than the end of Calendar Year ~~2023~~2026, as hereinafter set forth.

IN CONSIDERATION OF THE MUTUAL PROMISES of the Parties as set forth herein, it is agreed as follows:

1. Description of the Exchange and Procedures.

Within 10 days after the date of execution of this Agreement by both parties, CLAWA will in writing request the California Department of Water Resources (“DWR”) to deliver 2,000~~1,200~~ acre-feet of State Water Project water ~~from CLAWA’s 2013 Table A Amount~~ to SGPWA from CLAWA’s carry-over water stored in the San Luis Reservoir, according to

a delivery schedule that SGPWA will submit to DWR. A copy of CLAWA's written request to DWR shall also be delivered to SGPWA. After written confirmation to CLAWA from SGPWA that such water has been delivered to SGPWA, in a subsequent year or years DWR shall deliver ~~1,300~~ to CLAWA a total of either 800 or 600 acre-feet of State Water Project water from SGPWA's Table A Amount ("Exchange Water") ~~to CLAWA~~ according to a delivery schedule that CLAWA will submit to DWR. The total quantity of Exchange Water to be delivered to CLAWA from SGPWA's subsequent allocation(s) of Table A water shall be determined as follows: (a) if the percentage allocation approved by DWR as of ~~June~~ July 1, 2016, for delivery to CLAWA and to SGPWA from their respective Table A Amounts for Calendar Year 2016 is 630% or less, the total quantity of Exchange Water to be delivered to CLAWA in a subsequent year or years shall be 800 acre-feet; and (b) if the percentage allocation approved by DWR as of ~~June~~ July 1, 2016, for delivery to CLAWA and to SGPWA from their respective Table A Amounts for Calendar Year 2016 is more than 630%, the total quantity of Exchange water to be delivered to CLAWA in a subsequent year or years shall be 600 acre-feet. SGPWA and CLAWA shall meet and confer in advance of scheduling delivery of the Exchange Water to CLAWA. Delivery of the Exchange Water shall be completed no later than the end of December, 2023 ~~2026~~. If CLAWA requests delivery of Exchange Water in a year which DWR has declared to be critically dry, SGPWA and CLAWA agree to confer in good faith to adjust the quantity of Exchange Water to be delivered in that year so as to minimize adverse impacts on the ability of both Parties to satisfy the needs of their respective customers. Each Party's obligation for the delivery of water to the other Party pursuant to this Agreement shall be subject to the availability of water from the State Water Project.

2. **Points of Delivery and Measurement.**

(a) **SGPWA.** The point of delivery and measurement of the ~~2,000~~ 1,200 acre-feet of water from CLAWA's ~~Table A Amount~~ carry-over account to SGPWA in ~~2013~~ 2016 shall be at SGPWA's designated point of delivery.

(b) **CLAWA.** The point of delivery and measurement of the Exchange Water from SGPWA to CLAWA shall be at CLAWA's designated point of delivery.

3. **Charges.**

Neither SGPWA nor CLAWA shall charge any costs to the other for use of either Party's facilities to the point of delivery. Each Party shall be responsible for all costs of, and entitled to all prior credits generated by,

the delivery of water to that Party as if it had come from that Party's own Table A Amount in the year of delivery.

4. **Conditions Precedent and Covenants.**

(a) **DWR Approval.** No provisions of this Agreement requiring DWR approval shall become operative until DWR approves of those provisions. SGPWA and CLAWA shall use their best efforts to promptly obtain such approvals.

(b) **State Water Contractors.** SGPWA and CLAWA agree that they will each, with due diligence and in good faith, seek to obtain the support and approval of this Agreement by the State Water Contractors and request DWR to approve the exchange of water as set forth herein.

5. **Notices.**

All written notices required to be given pursuant to the terms of this Agreement shall be either (i) personally delivered, (ii) deposited in the United States express mail or first-class mail, (iii) delivered by overnight courier service or (iv) delivered by facsimile transmission, provided that the original of such notice is sent by certified United States mail, postage prepaid, no later than one (1) business day following such facsimile transmission. All such notices shall be deemed delivered upon actual receipt (or upon first attempt at delivery pursuant to the methods specified herein if the intended recipient refuses to accept delivery). All such notices shall be delivered to the following addresses or to such other address as the receiving party may from time to time specify by written notice to the other party:

SGPWA:

San Geronio Pass Water Agency
1210 Beaumont Ave.
Beaumont, CA 92223

Attention: General Manager
Telephone: (951) 845-2577
Facsimile: (951) 845-0281

CLAWA:

Crestline-Lake Arrowhead Water Agency
24116 Crest Forest Drive
P.O. Box 3880
Crestline, CA 92325-3880

Attention: General Manager
Telephone: (909) 338-1779
Facsimile: (909) 338-3686

6. **Miscellaneous.**

(a) **No Assignment.** No party shall assign or otherwise transfer its rights or obligations under this Agreement without the prior written consent of the other party.

(b) **Successors and Permitted Assigns.** All covenants and agreements contained in this Agreement by or on behalf of any of the parties shall bind and inure to the benefit of their respective successors and permitted assigns, whether so expressed or not.

(c) **No Modification of Existing Contracts.** This Agreement shall not be interpreted to modify the terms or conditions of the water supply contracts between the DWR and CLAWA, and between DWR and SGPWA, or to modify the terms or conditions of any other water purchase or exchange agreements between CLAWA and SGPWA.

(d) **Governing Law/Venue.** This Agreement shall be construed and enforced in accordance with the laws of the State of California. Venue for

any actions brought regarding this Agreement shall be in the County of Riverside, provided that, in accordance with the provisions of the Code of Civil Procedure Section 394, a disinterested judge from a neutral county is assigned to hear such action and all such proceedings in connection therewith.

(e) **Ministerial Actions.** Due to increasing State-wide demands for water, water exchanges, water storage, banking and recovery, and various water quality issues throughout the State, the parties agree that this project is unique and cannot be duplicated and there is not a plain, speedy, and adequate remedy at law for CLAWA or SGPWA should either refuse or fail to perform their respective obligations as set forth in this Agreement. Consequently, CLAWA and SGPWA agree that the terms of this Agreement are enforceable by a writ of mandate and specific performance.

(f) **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute one and the same instrument. Signatures sent by facsimile shall be deemed originals and treated in all respects as originals.

(g) **Further Action.** The parties agree to and shall take such further action and execute such additional documents as may be reasonably required to effectuate the terms and conditions of this Agreement and to the extent consistent with the terms thereof.

(h) **Interpretation.** This Agreement has been jointly negotiated and drafted. The language of this Agreement shall be construed as whole according to its fair meaning and without regard to or aid of Civil Code Section 1654 or similar judicial rules of construction. Each party acknowledges that it has had the opportunity to seek the advice of experts and legal counsel prior to executing this Agreement and that it is fully aware of and understands all of the terms and the legal consequences thereof. The headings used in this Agreement are for reference only and shall not affect the construction of this Agreement.

SAN GORGONIO PASS WATER AGENCY

By: _____
General Manager

Date: _____

CRESTLINE-LAKE ARROWHEAD WATER
AGENCY

By: _____
General Manager

Date: _____

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Inland Solar Challenge

DATE: February 1, 2016

Summary:

The Agency has, for many years, supported the event that is currently known as the Inland Solar Challenge, a competition among area high schools that fosters teamwork as well as water education. The purpose of this proposed Board action is to determine if the Board wishes to sponsor this event again in 2016.

Background:

A number of years ago, Inland Empire water agencies banded together to produce a solar boat race for high school students. This was because a similar event sponsored by the Metropolitan Water District did not allow high schools from outside its service area to compete.

The event has become something of a tradition, with some aspect of water woven into the fabric of each year's event. This year, teams are required to address the effects of recent micro-burst storms and El Nino on the local water supply.

Detailed Report:

Previous participants have included Banning High School, Cajon High School (San Bernardino), Rialto High School, Yucaipa High School, and Redlands East Valley High School. Other sponsors include the San Bernardino Valley Municipal Water District, East Valley Water District, the City of San Bernardino, the City of Redlands, Nestle Water/Arrowhead, and Brithinee Electric.

Agency Board members have been actively involved in previous years as judges and have reported on the success of the overall event.

Fiscal Impact:

The Agency has budgeted \$4000 to be a sponsor of this year's event (the same amount as the past several years). This money is budgeted under water education programs for students.

Relationship to Strategic Plan:

The strategic plan includes a communications plan that furthers the Agency's name recognition and mission in the region. This event helps to fulfill this goal of the strategic plan.

Recommendation:

Staff recommends that the Board approve sponsorship of the event at the \$4000 level.



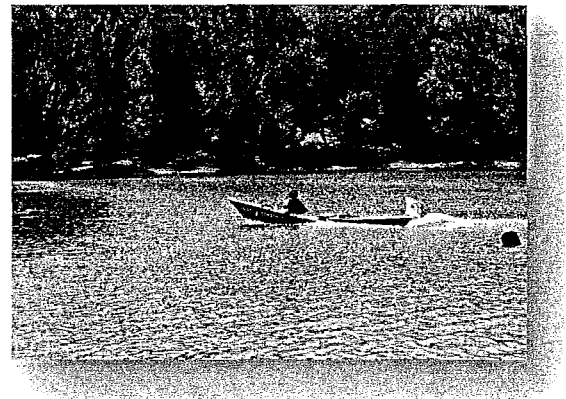
About the Event

The Inland Solar Challenge Event is a proven educational platform to convey the water conservation message and helps water agencies comply with the Water Conservation Act of 2009 – SB x7-7 and the Demand Management Measure H, School Education Programs. Schools within San Bernardino Valley Municipal Water District’s service area have participated in this event since 2007.

The Inland Solar Challenge gathers high school students from San Bernardino Valley Municipal Water District and San Geronio Pass Water Agency’s service areas to build sixteen foot boats equipped with solar technology to compete against each other. This three day event, held at Yucaipa Regional Park, includes an endurance, slalom and sprint race. In addition, the participants must also prepare and present a water conservation report (~30% of the scoring). Points are awarded for the races and the report. The school with the most overall points wins the competition.

In preparation of the event, participating high schools gather together to build their boats, building relationships between teams. Once the boat hulls are built, each team takes their boat back to their school where they spend many hours fitting their boat with the required technology as well as fine tuning their design for the competition in May.

The cost of the event is paid for by sponsors. The students’ high schools provide the classroom space to work on the boats and motivated instructors to help the students gain knowledge in both energy and water sustainability.



2016 Conservation Topic

Effects of recent micro-burst storms and El Niño on local water supply: The anticipated El Niño is expected to bring rain but not snow pack to the Sierra Nevada Mountains, which may affect imported water supplies for the San Bernardino Valley. It is a common misconception all rainstorms are the solution to drought and improve water supply when in actuality, cold, wet weather produces snowpack needed to sustain water supply throughout the warmer months when water demand is highest. Micro-burst storms which produce small bursts of rain and hail do not provide a sustainable water supply, but rather, quick downpours that are often lost as runoff to the ocean.

Inland Solar Challenge students are required to research this topic further and create a public service announcement intended to inform the target audience of the limited opportunities different weather types contribute to sustainable water supply. Relaying this truth to customers creates opportunity for customers to connect their water use practices to their water supply and what must be done to preserve it. Additionally, use of local educational resources such as the iEfficient campaign is encouraged. Audio and video pieces must be high quality in order to distribute to participating water retailers for placement on their websites once the competition is over.

Current Inland Solar Challenge Committee

The Inland Solar Challenge Committee is comprised of several water retailer employees who dedicate a portion of their staff time throughout the year to plan the event.

Inland Solar Challenge Committee	
Cecilia Griego	City of Redlands
Chelsea Schnitger	City of Redlands
Janett Robledo	East Valley Water District
Jennifer Ares	Yucaipa Valley Water District
Brant Musick	Yucaipa Valley Water District
Matthew Flordelis	Yucaipa Valley Water District
Jennifer Shimmin	City of Colton
Jose Velasquez	West Valley Water District
Devin Arciniega	San Bernardino Municipal Water Department
Bob Wall	Yucaipa Valley Water District

Water Retailer Sponsorship

In addition to in-kind staff time, water retailers also financially sponsor a team within their water service area, sponsor the event, or sponsor with other in-kind donations.

Water Agency Sponsors	Sponsorship Item	Amount
San Bernardino Municipal Water Department	Cajon High School	\$2,500
City of Redlands	Event	\$2,500
West Valley Water District	Rialto High School	\$2,500
Yucaipa Valley Water District	Yucaipa High School	\$2,500
East Valley Water District	Event	\$2,500
City of Colton	In-Kind Donation-Event Entertainment	--

Inland Solar Challenge 2016 Budget

The in-kind support from wholesale and water retailers is invaluable to the success of this event. The committee continues to work on acquiring 501(c)(3) status for eligibility of additional sponsorships in the future, but will require sponsorships to assist in providing many of the resources needed for the event.

SPONSORSHIPS				
	2015		2016	
Description/Source	Budget	Actual	Budget	Actual
Balance Forward	\$ 6,717.21	\$ 6,717.21	\$ 5,263.50	\$ 5,263.50
San Bernardino Valley MWD	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	
San Gorgonio Pass WA	\$ 5,000.00	\$ 4,000.00	\$ 4,000.00	
East Valley Water District	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	
Nestle Water/Arrowhead	\$ 2,500.00	\$ 2,000.00	\$ 2,500.00	
City of San Bernardino	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	
City of Redlands	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	
Brithinee Electric				
Misc. Sponsorships				
Total Sponsorships	\$ 26,717.21	\$ 25,217.21	\$ 24,263.50	\$ 5,263.50
EXPENSES				
	2015		2016	
Description/Source	Budget	Actual	Budget	Actual
Establish 501c-3 Status	\$ 4,500.00		2,500.00	
Yucaipa Regional Park*	\$ 1,800.00	\$ 2,205.00	2,500.00	
Food	\$ 6,000.00	\$ 5,882.03	6,000.00	
Event T-Shirts	\$ 2,000.00	\$ 1,794.42	2,000.00	
Signs	\$ 750.00	\$ 594.00	750.00	
Event Supplies/Misc.**	\$ 1,500.00	\$ 2,328.86	2,500.00	
Trophies/Sponsorship Plaques	\$ 500.00	\$ 360.40	500.00	
Boats (material & labor)	\$ 2,500.00	\$ 1,624.00	2,000.00	\$ 2,717.82
Cajon High School	\$ 2,500.00	\$ 2,500.00	2,500.00	
Redlands East Valley	\$ 2,500.00	\$ 2,500.00	2,500.00	
Banning High School	\$ -		0.00	
Lifeguards	\$ 250.00	\$ 165.00	200.00	
Total Expenses	\$ 24,800.00	\$ 19,953.71	23,950.00	\$2,717.82
Remaining Balance		\$ 5,263.50	313.50	\$ 2,545.68